UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting   Docket No. RM2018-5
(Proposal Two)

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued June 18, 2018)

To clarify the Postal Service's petition to consider changes in analytical principles (Proposal Two), filed May 25, 2018,[1] the Commission requests that the Postal Service provide written responses to the following questions and requests. The Commission grants the Public Representative motion for issuance of an information request,[2] and incorporates her proposed questions. Answers to each question and the requested information should be provided as soon as they are developed, but no later than June 29, 2018.

1.   Please refer to Library Reference USPS–RM2018–5/1, Preface.[3]

      a.   The table shows that the folder "DATA" contains an Excel file "IOCSDataDictionary_IOCSCluster.xls" listing all of the variables in the IOCS-Cluster data set. Library Reference USPS-RM2018-5/1, Preface at 4. However, the IOCS-Cluster SAS data set filed in Library Reference USPS-RM2018-5/1 and Library Reference USPS-RM2018-5/NP1 does

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[1] Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), May 25, 2018 (Petition). The Postal Service filed a public and non-public annex with the Petition. *See* Notice of Filing of USPS-RM2018-5/1 and USPS-RM2018-5/NP1 and Application for Nonpublic Treatment, May 25, 2018; Notice of Filing of Replacement Version of USPS-RM2018-5/1 - - Errata, June 8, 2018; Notice of Filing of Replacement Version of USPS-RM2018-5/NP1 - - Errata, June 11, 2018.

[2] Public Representative Motion for Issuance of Information Request, June 13, 2018 (PR Motion).

[3] *See* Library Reference USPS-RM2018-5/1, May 25, 2018, PDF file "Prop.2.Fldr.1.Preface.pdf," (Preface).

not contain all of the variables listed in the IOCS cluster data dictionary.[4] *Id.* Please file a version of the Proposal Two IOCS-Cluster SAS dataset that includes all of the variables listed in the Library Reference USPS-RM2018-5/1, Excel file "IOCSDataDictionary_IOCSCluster.xls."

b.   Please also include in the SAS dataset provided in response to question 1.a. directly above, the actual values rather than masked values for the following variables that have been recoded or for which identifying record information was omitted:[5]

    i.   finance number in the "FinanceNum" variable

    ii.   "TestID" variable

    iii.   TestZone variable[6]

    iv.   "Q16B02B" ("ZIP Code of Route") variable[7]

    v.   "Q23D01" ("Domestic or Foreign Destination") variable[8]

    vi.   "Q23D02" ("Destination ZIP Code") variable recoded[9]

c.   The Preface table also shows that the folder "SASPrograms" includes the Proposal Two SAS programs. *Id.* at 4. Please provide all inputs, including

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[4] Without the SAS data variables, input data files, the SAS program code and methodology under Proposal Two cannot be directly evaluated or replicated. Mainframe SAS programs can be adapted to PC SAS with the same information.

[5] *See id.* at 4-5. The Postal Service states that the SAS "data files contain IOCS-Cluster data elements that would be used for the development of the CRA. It was developed by dropping variables that would not be used in the development of the CRA, and recoding variables containing sensitive information." *Id.* at 4. However, the dropped, recoded and masked data variables are necessary to directly assess the impact and compare the proposed sample design differences.

[6] It appears that the "TestZone" variable was also masked as the recoded test zone portion of the "TestID" variable aligns with the "TestZone" variable values.

[7] The IOCS cluster data dictionary states that "Q16B02B" variable is the ZIP Code of the route. *See* Library Reference USPS-RM2018-5/1, Excel file "IOCSDataDictionary_IOCSCluster.xls," tab "Mainframe Layout."

[8] The Preface describes the "Q23D01" variable as "the delivery zone of the mailpiece." Preface at 5. However, it appears that the Postal Service may have intended to list "Q23D02" rather than "Q23D01."

[9] *Id.*

datasets and macro definitions, needed for the SAS code processing in each of the following Proposal Two SAS programs:[10]

    i.   "CL101"

    ii.   "CLCARMM"

d.   In Library References USPS-RM2018-5/1 and USPS-RM2018-5/NP1, folders "Workbooks," the Postal Service also included Excel files containing estimates produced by using the recently approved Proposal Five methodology for quarter 4 of FY 2017 and quarter 1 of FY 2018.[11] Please provide the SAS datasets used to produce the public and non-public Proposal Five IOCS estimates.[12]

e.   For the Proposal Five SAS datasets provided in response to question 1.d. directly above, please provide the actual values in the variable fields rather than masked values if the Postal Service has recoded or dropped:

    i.   the finance number

    ii.   the office name, city and state

    iii.   the area code

    iv.   the route ZIP Code

    v.   the destination ZIP Code of the mail piece

f.   Please provide the Proposal Five methodology FY 2017 quarter 4 and FY 2018 quarter 4 input files, "TACSCAG" (summary of TACS workhours)

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[10] Mainframe SAS program code can be adapted to PC SAS program code.

[11] *See* Library Reference USPS-RM2018-5/1, folder "Workbooks," Excel files "CS06&7-FY17Q4.CurrentwithProp5.xlsx," "CS06&7-FY18Q1.CurrentwithProp5.xlsx," "I_FORMS_FY17Q4-CurrentwithProp5.xlsm," and "I_FORMS_DY18Q1-CurrentwithProp5.xlsx;" Docket No. RM2017-9, Order on Analytical Principles Used in Periodic Reporting (Proposal Five), February 6, 2018 (Order No. 4399).[12] For use in the "PCCARMM16ByRouteType_TACSAdjPub" SAS program code. *See* Docket No. RM2017-9, Library Reference USPS-RM2017-9/1, August 9, 2017, folder "SASPrograms."

[12] For use in the "PCCARMM16ByRouteType_TACSAdjPub" SAS program code. *See* Docket No. RM2017-9, Library Reference USPS-RM2017-9/1, August 9, 2017, folder "SASPrograms."

and "POEXP" (quarterly cost control totals) used to develop adjustments to the IOCS sample cost weights.[13]

2.   In Docket No. ACR2017, Library References USPS-FY17-37 and USPS-FY17-NP21, the Postal Service provided the IOCS datasets without the Proposal Five methodology.[14]

    a.   Please provide an electronic file that has a key for each of the masked finance numbers provided in the Docket No. ACR 2017 IOCS SAS dataset that links the recoded finance number to the actual finance number and includes the office's name, area code, city and state.[15]

    b.   If the ZIP Code of the route in the Docket No. ACR 2017 IOCS SAS dataset is also in a masked form, please provide the SAS code used to recode the actual route ZIP Code values.[16]

3.   The Postal Service states that for sampling mode 1, morning tests clustered by zone/on-site, "Zones are selected randomly in proportion to their size, measured as their number of DOIS city carrier hours." Petition, Proposal Two at 5.

    a.   Please confirm that the number of DOIS city carrier hours referred to in this question preface is the total number of DOIS city carrier hours in Labor Distribution Codes (LDCs) 21, 22, 23, 24, 26, 27, 28, 29 and 92.[17] If

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[13] *See* Docket No. RM2017-9, Library Reference USPS-RM2017-9/1, August 9, 2017, PDF file "RM2017.9_1.Preface.pdf," at 1.

[14] Docket No. ACR2017, Library Reference USPS-FY17-37, December 29, 2017; Docket No. ACR2017, Library Reference USPS-FY17-NP21, December 29, 2017. The Proposal Five methodology was approved after the Postal Service's FY 2017 ACR filing. *See* Order No. 4399.

[15] *See* Docket No. ACR2017, Library Reference USPS-FY17-37, PDF file "USPS-FY17-37.Preface.pdf," at 13.

[16] Alternatively, the Postal Service may file a revised Docket No. ACR2017, Library Reference USPS-FY17-NP21 IOCS SAS dataset that includes the information request in part a. of this question and contains the actual route ZIP Code values.

[17] The Proposal Five methodology uses city carrier workhours clocked to these Time and Attendance Collection System (TACS) LDCs. *See* Order No. 4399 at 4.

not confirmed, please specify which LDC workhours are summed for the number of city carrier hours used for sampling mode 1, and the basis for the selection.

b.   Please confirm that the LDC workhours used to measure the size of each zone are those clocked in the entire 24-hour day. If not confirmed, please identify the time span used.

4.   The Postal Service states that for sampling mode 3, afternoon telephone readings, "[t]he first-stage sampling unit is the district. Districts are selected in proportion to the number of carrier DOIS hours." Petition, Proposal Two at 23.

a.   Please confirm that the number of DOIS city carrier hours referred to in this question preface is the total number of DOIS city carrier hours in Labor Distribution Codes (LDCs) 21, 22, 23, 24, 26, 27, 28, 29 and 92. If not confirmed, please specify which LDC workhours are summed for the number of carrier hours used for sampling mode 3, and the basis for the selection.

b.   Please confirm that the LDC workhours are those clocked in the entire 24-hour day. If not confirmed, please identify the time span used.

5.   The Postal Service states "[f]or the afternoon, sampling data from all afternoon tests are scaled to the total hours in the afternoon. These are not estimated by CAG separately because there are insufficient afternoon tallies . . . ." *Id.* at 7.

a.   Given that street time is the largest portion of city carrier time and cost, please discuss the reasons why under the Proposal Two methodology, "there are insufficient afternoon tallies . . . ."

b.   Are there "insufficient afternoon tallies" by CAG under the current IOCS methodology? If so, please discuss the reasons why. If not, please discuss the methodological differences under the Proposal Two

methodology that resulted in "insufficient afternoon tallies" and not in the current methodology.

6.   For the telephone afternoon tests, the Postal Service states that its "data collection software randomly selects 30 carriers from IOCS panel offices across the district, and then groups these 30 by finance number" (effective in FY 2018, quarter 1) and in FY 2017 quarter 4, "carrier readings were sequenced randomly and not grouped by office . . . ." *Id.* at 7 n.9. For all city carrier afternoon tests, both the public and non-public filed Proposal Two SAS datasets use the same ("777777"-not identifiable as a specific office) finance number in the "FINANCENUM" variable field and use the same value ("X"- not identified as a specific CAG-level for the office) in the "NEWWEIGHT_CAG" variable field.[18]

   a.   Please provide a key for the afternoon tests showing how to identify actual finance number and sampled office CAG-level in each of the readings in the Proposal Two SAS datasets.

   b.   Please also provide a key or specify how the actual district sampled can be identified in the Proposal Two SAS datasets, and include the district names for the values used.

7.   In Docket No. ACR2016, Library Reference USPS-FY16-37, Preface, the Postal Service states that to reflect Order No. 2387, it added a new variable, "RPT_CAG" to the IOCS dataset to enable separate reporting of CAG K and L offices from CAG H and J offices in the same strata.[19] The IOCS SAS data sets

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[18] *See* Preface at 5; Library Reference USPS-RM2018-5/1, Excel file "IOCSDataDictionary_IOCSCluster.xls," tab "Mainframe Layout."

[19] *See* Docket No. ACR2016, Library Reference USPS-FY16-37, December 29, 2016, PDF file "USPS-FY16-37.pdf," at 1. To ensure sufficient representation of CAG K-L post offices in the combined IOCS strata approved in Order No. 2837, the Commission directed the Postal Service to submit details of the combined IOCS sample selection separately for CAG K-L offices until directed otherwise in an Annual Compliance Determination or Commission order. *See* Docket No. RM2015-19, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Ten), November 24, 2015, at 10 (Order No. 2837).

filed under Proposal Two do not include that same named variable and the IOCS cluster data dictionary does not identify CAG codes J, K, and L options in any of the CAG-related variables listed.[20] Please specify how to distinguish offices in CAG-levels J, K, and L from offices in CAG H and J for both morning and afternoon readings in the Proposal Two SAS datasets.

8. Please refer to Library Reference USPS-RM2018-5/1, Excel file "Prop.2.IOCS.Cluster.Impact_Public.xlsx." For all hardcoded numbers in columns D-E, G, N-O, and U-V, please provide direct links or references to the input data files.

9. The Postal Service states that for morning tests, the frame for the first-stage sampling "is the set of delivery zones and facilities with at least one city carrier route." Petition, Proposal Two at 19. Please indicate the percentage and/or actual number of delivery zones and facilities in the network that do not have any city carrier routes.

10. The Postal Service states, "large zones have six or more city carrier routes." *Id.*

   a. Please provide the overall number of large zones in the network and indicate the proportion of zones with more than six routes.

   b. Please indicate the maximum number of routes in a zone.

11. The Postal Service states that for morning tests, "[t]he number of workhours recorded in DOIS in the preceding four weeks is used to order the [large] zones, and a systematic random sample is drawn to select zones in proportion to the number of hours." *Id.*

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[20] *See* Library Reference USPS-RM2018-5, Excel file "IOCSDataDictionary_IOCSCluster.xlsx," tab "Mainframe Layout." The Postal Service describes Proposal Two as a "Proposal to Change the In-Office Cost System for City Carriers." Petition, Proposal Two at 1. However, the filed data sets also contain collected information for the craft code "Clerks" and "Supervisors."

a.   Please explain the reasons for choosing systematic random sampling, rather than simple random sampling or stratified random sampling.

b.   Please specify the sampling interval and sample size selected for systematic random sampling.

c.   Please explain why the Postal Service relies on the data for the four-week period.

12.   The Postal Service states that for morning "large-zone tests, the [IOCS Computerized On-Site Data Entry System] software randomly selects six carriers from the set of available carriers." *Id.* at 19-20. Please explain the reasons for choosing a sample size of six carriers and include any applicable statistical documentation with your response.

13.   The Postal Service states that for the afternoon tests, "[30] carriers are randomly selected from IOCS panel offices with the district." *Id.* at 23. Please explain the reasons for choosing a sample size of 30 carriers for the afternoon tests and include any applicable statistical documentation with your response.

14.   The Postal Service provides "the proposed numbers of tests by each sampling mode, and the projected number of non-stop readings that are expected from each mode." *Id.* at 8. Please also provide the total number of annual carrier readings (including stop readings) that the Postal Service anticipates to obtain under the proposed IOCS-cluster design.

15.   Please provide the IOCS data collector instructions for the data collection and sampling methodology for the proposed IOCS-cluster statistical design. *See id.* at 5-7, 17-21.

16.   The Postal Service states that variances and coefficients of variation (CVs) "are not available at this time." *Id.* at 9. Please indicate when the Postal Service expects variances and CVs to be available.

17.   The Postal Service indicates that Proposal Two will improve data quality and data collection efficiency. *Id.* at 1-2. The Postal Service also maintains, "IOCS-Cluster has a much higher sampling efficiency." *Id.* at 8. Please explain how the Postal Service measures the levels of data quality, data collection efficiency, and sampling efficiency. Please include any applicable statistical documentation with your response.

18.   The Postal Service states, "the vast majority of parcels delivered on Sundays and [h]olidays in FY2017 were Parcel Select," and proposes to make the costs accrued for city carriers on Sundays and holidays 100 percent attributable. *Id.* at 9.

   a.   Please indicate the percentage of parcels delivered on Sundays and holidays in FY 2017 that were not Parcel Select.

   b.   Please confirm that the Postal Service delivered only parcels on Sundays and holidays in FY 2017. If not confirmed, please identify the delivered mail products and provide their shares in the overall mail volume delivered on Sundays and holidays.

19.   The Postal Service states that in the afternoon, "carriers are typically not handling mail" and that "telephone readings can continue to be an adequately reliable (as well as cost-efficient) approach." *Id.* at 11. Please indicate the difference in the total annual or daily costs associated with obtaining the IOCS city carrier readings between the current and proposed methodologies.

        By the Chairman.

                                        Robert G. Taub